

Old Age, Disability, Death

First and current laws: 1952 (provident fund), 1972 (gratuity act), 1976 (deposit insurance scheme), 1995 (pension scheme).

Type of program: Provident fund with deposit linked insurance and pension and gratuity systems for industrial workers.

Exchange rate: U.S.\$1.00 equals 42.25 rupees.

Coverage

Provident fund, pension and deposit insurance schemes

Employees of establishments with 20 or more employees in 177 categories of industries.

Exclusion (all 3 systems): Employees earning over 5,000 rupees a month. Employees covered by equivalent private plans may be contracted out.

Special systems for miners, railway, and public employees.

Gratuity scheme Employees of factories, mines, and firms with 10 or more workers.

Source of Funds

Insured person: Provident fund, 12% of basic wages in 172 categories of covered industries, 10% of basic wages in remaining 5 categories of covered industries.

Pension scheme: None.

Gratuity scheme: None.

Deposit insurance scheme: None.

Employer: Provident fund, same as employee contribution plus 1.1% of basic wages for administrative cost.

Pension scheme: 8.33% of basic wages diverted from 12/10% employer provident fund contribution.

Gratuity scheme: About 4% of basic wages.

Deposit insurance scheme: 0.5% of basic wages plus 0.01% of basic wages for administrative cost.

Government: Provident fund, none.

Pension scheme: 1.16% of basic wages.

Gratuity scheme: None.

Deposit insurance scheme: None.

Qualifying Conditions

Old-age benefit: Provident fund, age 55 and retirement from covered employment. Payable at any age if leaving country permanently or involuntarily removed from covered employment.

Pension scheme: Age 58 or retirement after minimum of 10 years' employment.

Gratuity scheme: 5 years continuous employment.

Survivor pension: Provident fund, death of insured before retirement.

Pension scheme: Deceased was member of plan with 1 month of contribution (payable whether employed or retired at time of death).

Deposit insurance scheme (survivor benefit only): Death of insured member of provident fund before retirement.

Old-Age Benefits

Old-age benefit: Provident fund, lump sum equal to total employee and employer contributions, plus interest.

Pension scheme: For 10 or more years employment, a monthly pension per formula. Less than 10 years employment, a lump sum equal to total employee and employer contributions, plus interest.

Gratuity scheme: Lump sum equal to 15 days' wages for each year of continuous service. Maximum, 350,000 rupees.

Deposit insurance fund: Lump sum payment up to 35,000 rupees.

Permanent Disability Benefits

Disability benefit: Provident fund, lump sum equal to total employee and employer contributions, plus interest.

Pension scheme: Monthly pension or lump sum payment as if disabled had retired on date of accident.

Survivor Benefits

Survivor benefit: Provident fund, lump sum equal to total employee and employer contributions, plus interest. Payable to nominated members of family or, if none, to other nominated beneficiaries.

Death grant: Up to 2,000 rupees.

Pension scheme: According to formula. Minimum, 450 rupees a month; maximum, 2,500 rupees a month. Payable to widow and 2 children up to age 25.

Deposit insurance scheme: Lump sum equal to the average balance in the provident fund account of the insured over 12 months preceding death. Maximum: 35,000 rupees.

Administrative Organization

Ministry of Labor, general supervision.

Employees' Provident Fund, organization and administration of program through regional, sub-regional, inspectorate and sub-accounts offices.

Central Board of Trustees, EPF, administration of funds by tripartite body representing government, employers and employees.

Gratuity scheme administered by central/state authorities.

Sickness and Maternity

First and current law: 1948.

Type of program: Social insurance system. Cash and medical benefits.

(1961 law provides maternity benefits to employees of factories/establishments not covered by the social insurance law of 1948.)

Coverage

Employees of power-using manufacturing establishments with 10 or more workers, and non-power establishments with 20 or more workers. Exclusions: Employees in seasonal, agricultural, and certain other sectors as well as other employees earning over 6,500 rupees a month. Insured workers and spouses covered for medical benefits if permanently disabled on payment of contribution of 10 rupees a month. Insured workers who retire are covered on payment of contribution of 10 rupees a month.

Coverage being extended gradually to different districts; now operative in about 640 industrial centers.

Source of Funds

Insured person: 1.75% of earnings (none for employees whose average daily wage is below 25 rupees).

Employer: 4.75% of payroll of covered employees.

Government: State governments pay 12.5% of cost of medical benefits.

Qualifying Conditions

Cash sickness benefits: Must be paid for 78 days during a designated 6 month period.

Cash maternity benefits: Must be paid for 70 days during two designated 6 month periods.

Medical benefits: Currently in insured employment or qualified for cash benefit. Medical benefits for dependents same as for insured.

Sickness and Maternity Benefits

Sickness benefit: From 14 to 125 rupees a day, depending on wage class (40% more for certain specified diseases).

Payable after 2-day waiting period for up to 91 days in any 2 consecutive designated 6 month periods (may be extended in certain cases for up to 2 years in chronic cases).

Family planning: 7 or 14 days of cash sickness benefit at double rate, plus additional days for complications, depending on sterilization operation.

Maternity benefit: 100% of average earnings, according to wage class; payable for up to 12 weeks (including not more than 6 weeks before confinement), 6 weeks in case of miscarriage. (1961 law requires noncovered employer to pay same benefit to woman employed 80 days in last year.) Benefit extended 4 weeks for medical reasons, if necessary.

Workers' Medical Benefits

Medical benefits: State governments arrange for provision of medical care, on behalf of social insurance, except in Delhi, and Noida area of Uttar Pradesh, where social insurance is administered directly. Services variously provided in different States through social insurance dispensaries and hospitals, State government services, or private doctors under capitation contract.

Includes medical treatment, surgery, specialist services, hospitalization, medicines, obstetric care, transportation, and appliances (glasses and dentures for insured persons only). Scale of services varies among States, according to agreement with State and facilities available.

Duration: 3 months to 1 year, according to contribution record (extended up to 3 additional years for certain long-term diseases).

Dependents' Medical Benefits

Medical benefits for dependents: Currently provided in most States and districts. Benefits include general practitioner care, medicines, specialist examinations, and hospitalization in most States.

Funeral grant: Lump sum equal to actual cost. Maximum, 1,500 rupees. Payable to eldest member of family or person incurring funeral cost.

Administrative Organization

Ministry of Labor, general supervision.

Employees' State Insurance Corporation, administration of program through regional and local offices; managed by tripartite board and director-general.

State governments, provision of medical benefits through agreement with and reimbursement by Corporation. Administered by Corporation in some cases.

Work Injury

First law: 1923 (workmen's compensation).

Current law: 1948 (social insurance).

Type of program: Social insurance system.

Coverage

Employees of power-using manufacturing establishments with 10 or more workers, and non-power establishments with 20 or more workers. Exclusions: Employees in seasonal, agriculture, and certain other sectors as well as other employees earning over 6,500 rupees a month.

Source of Funds

Insured person: See Sickness and Maternity, above.

Employer: Same.

Government: Same.

Qualifying Conditions

Work-injury benefits: No minimum qualifying period.

Temporary Disability Benefits

Temporary disability benefit: About 70% of earnings, according to 28 wage classes. Payable after third day of disability for duration of disability.

Permanent Disability Benefits

Permanent disability pension: 19.60 rupees to maximum 175 rupees a day, according to 28 wage classes, if totally disabled. Partial disability: Percent of full pension proportionate to loss of earning capacity (small pensions may be commuted to lump sum).

Workers' Medical Benefits

Medical benefits: Same as for ordinary sickness; also, artificial limbs and other appliances.

Survivor Benefits

Survivor pension: 60% of insured's total disability pension (70% of earnings) payable to widow.

Orphans: 40% of insured's pension (70% of earnings) for orphans under age 18 (no limit if disabled), or until daughter marries.

Maximum widow's and orphans' pensions: 100% of insured's pension (70% of earnings).

Other eligible survivors (in absence of above): Parents, grandparents, and other dependents under age 18; maximum total pensions for such survivors, 50% of insured's pension.

Funeral grant: Lump sum equal to cost, maximum 1,500 rupees.

Payable to oldest member of family or person incurring funeral cost.

Administrative Organization

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Unemployment

Labor law requires employer to pay severance indemnity of 15 days' average pay for each year of employment.

Eleven States have instituted temporary unemployment programs, funded by the government.